

United States District Court  
Eastern District of Michigan  
Southern Division

Star Lodge, LLC,

Plaintiff,

Case No. 2:19-cv-10905  
Hon.  
Mag.

v.

Endurance American Specialty  
Insurance Company,

**Jury Demand**

Defendant.

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Rabih Hamawi (P80481)  
Law Office of Rabih Hamawi, P.C.  
Attorney for Plaintiff  
2000 Town Center, Suite 1900  
Southfield, Michigan 48075  
(248) 905-1133  
[rh@hamawilaw.com](mailto:rh@hamawilaw.com)

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**Complaint**

**Introduction**

1. This is an action for damages arising out of three fires that destroyed Plaintiff's commercial building and business personal property located at 9430 Michigan Avenue, Detroit, Michigan (Motel), where Plaintiff was operating a Motel. Plaintiff is suing Defendant for a breach of a commercial property insurance policy resulting from Defendant's failure to pay Plaintiff's claims.

### **Parties, Jurisdiction, and Venue**

2. Plaintiff, Star Lodge, LLC (Star Lodge), is a single-member Michigan limited liability company.

3. Star Lodge's single member is Jamal Garmo (Mr. Garmo), who is a Michigan citizen.

4. Defendant Endurance American Specialty Insurance Company (Endurance), is a foreign insurance company incorporated in the State of Delaware, with its principal place of business in Purchase, New York.

5. This Honorable Court has subject matter jurisdiction because the amount in controversy exceeds \$75,000, exclusive of costs and interests, and Plaintiff and Defendant are citizens of different states. 28 U.S.C. 1332.

6. Venue is proper in this judicial district because "a substantial part of the events or omissions giving rise to the claim occurred, or a substantial part of property that is the subject of the action is situated." 28 U.S.C.(b)(2). Further, Defendant Endurance conducts insurance business, and has agents within this district; the insurance policy covered a commercial property located in Detroit, Michigan; and the insurance policy was purchased in Detroit, Michigan. 28 U.S.C. 1391(b).

### **Common Allegations**

7. Endurance issued a commercial property insurance policy to Star Lodge, policy no. CBP200001755900 (Policy), covering the Motel's building and business personal property located at 9430 Michigan Avenue, Detroit, Michigan, from losses due to fire and other perils. Ex 1, Insurance Policy.

8. The Policy insured the Motel's building for \$1,210,000; the Motel's business personal property for \$300,000; the Motel's loss of business income for \$220,000, among other coverages. *Id.*

9. The premiums were paid and current, and the Policy was in full force and effect at all relevant times, including March 29, 2017, April 22, 2017, and April 23, 2017.

10. On or about March 29, 2017, April 22, 2017, and April 23, 2017, three fires (Fires) severely damaged and resulted in the destruction of the Motel's building and business personal property.

11. Star Lodge timely notified Endurance of the Fires.

12. As required under the Policy and Michigan Law, Star Lodge delivered to Endurance a satisfactory proof of the amount of losses exceeding of the Policy's limits, which are coverage on the building for

\$1,210,000; business personal property for \$300,000; loss of business income for \$220,000, among other things.

13. As required under the Policy, and per Endurance's request, Star Lodge's single member, Mr. Garmo, submitted to an examination under oath, along with other employees of Star Lodge.

14. Star Lodge has complied with all the Policy's terms and conditions.

15. Endurance owed Star Lodge the duty to act fairly and reasonably in investigating its claims, to act in good faith, and to timely pay its claims under Michigan Law and Policy.

16. Endurance, through its agents, representatives, employees, and investigators, has failed to act fairly and reasonably in investigating and paying Star Lodge's claims and failed to act in good faith. Endurance's wrongful and dilatory conduct includes:

- a. Failing to pay Star Lodge's claims within 30 days of receipt of proof of the amount of loss. M.C.L 500.2833;
- b. Failing to make full or partial payment of Star Lodge's claims when they are not reasonably in dispute;

- c. Pursuing false defenses to Star Lodge's claims to avoid, delay, or compromise Star Lodge's claims when it did not have sufficient evidence to support the defenses;
  - d. Investigating Star Lodge's claims to delay payment and to attempt to create potential defenses to paying Star Lodge's claims rather than fairly and honestly determine its liability to Star Lodge; and
  - e. Asserting defenses to Star Lodge's claims when it knew, or reasonably should have known those defenses were false.
17. Endurance's actions constitute a breach of the party's Policy.
18. An insurer must pay an insured's loss "within 30 days after receipt of proof of amount of loss." M.C.L. 500.2833; M.C.L. 500.2836.
19. Endurance has failed to pay all amounts due and owing to Star Lodge.
20. An insurer must also pay 12 percent interest on claims where the insurer doesn't pay the insured's loss within 60 days of receiving satisfactory proof of the loss's amount. *Id.*
21. As a direct and proximate result of this breach, Endurance remains indebted to Star Lodge for its losses. Star Lodge also sustained consequential damages that were in contemplation of the parties when the

contract was made, or which are the natural and usual consequences of a breach of the insurance Policy. These consequential damages include, but are not limited to, additional damage to the building and personal property, loss of income, expert fees, attorney fees, and 12-percent penalty interest.

Wherefore, Plaintiff, Star Lodge, LLC, prays this Honorable Court enter a judgement against Defendant Endurance American Specialty Insurance Company for whatever amount this Court deems fair and just, including consequential damages, costs, 12-percent penalty interest, and attorney fees, and any other relief the Court deems appropriate.

Respectfully submitted,

Law Office of Rabih Hamawi, P.C.

/s/ Rabih Hamawi  
Rabih Hamawi (P80481)  
Attorney for Plaintiff  
2000 Town Center, Suite 1900  
Southfield, Michigan 48075  
(248) 905-1133  
[rh@hamawilaw.com](mailto:rh@hamawilaw.com)

Date: March 27, 2019

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**Jury Demand**

Plaintiff, Star Lodge, LLC, demands a jury trial in this cause of action.

Respectfully submitted,

Law Office of Rabih Hamawi, P.C.

/s/ Rabih Hamawi  
Rabih Hamawi (P80481)  
Attorney for Plaintiff  
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Southfield, Michigan 48075  
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Date: March 27, 2019